



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui

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MATSUI CALLS FOR CORPORATE RESPONSIBILITY AND REAL PENSION SECURITY FOR WORKERS

WASHINGTON, DC—Today Congressman Robert T. Matsui (D-CA) joined other key Democrats in support of corporate responsibility and pension security for rank-and-file workers. The House is taking up H.R. 4931, a permanent extension of the pension provisions from last year's tax cut package. This is the latest in a string of political Republican bills, none of which will have any effect for eight years. The Republican bill contains several provisions that may harm average workers while providing additional protections to top executives. Congressman Matsui has offered a substitute bill that addresses these issues, and also includes several vital provisions on corporate responsibility. These include (but are not limited to):

- **Discouraging corporate inversions** – executives who take their companies offshore to avoid U.S. taxes would have to pay capital gains taxes on their stock options just like other shareholders.
- **Extending the golden parachute excise tax to executives at failed companies** – Last week it was revealed that former Enron executives took more than \$300 million in severance pay with them when they left the company. Workers watched their savings disappear.
- **Preventing corporate manipulation of pension funds** – Tax-deductible bonus pay should not be based on pension plan manipulation.
- **Supporting a tax credit to help low-income workers save** – The "Saver's Credit" is a non-refundable tax credit of up to \$1,000 for lower-income workers who chose to contribute to a pension plan. It is the only provision *not* extended by H.R. 4931. If this bill passes as-is, the shop floor will once again receive the short end of the stick while the top floor reaps the benefits.
- **Protecting workers in "top-heavy" pension plans** – The Republican bill weakens rules that helped workers in companies where more than 60% of pension benefits went to top management.

"This bill is a bad deal for rank-and-file workers and yet another windfall for top executives and high-income employees who already have secure pensions," said Matsui. "It's time for corporations to become accountable and responsible for their actions. The recent string of business scandals has demonstrated serious weaknesses in corporate America. Top executives win no matter how they play the game. They receive cushy pensions and golden parachutes, and leave employees and shareholders to take the fall. This has to change if America is going to recover as the world leader in business and management."

"This is about corporate responsibility, and it's about providing the average worker with a secure retirement," continued Matsui. "Congress should not extend provisions that may actually hurt the workers we should protect."

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